CITY SAVINGS BANK CO. LTD.

(Innerstaedtische Sparcassa Aktiengesellschaft)

BUDAPEST - HUNGARY

1928 - 1940

# 1171

see also LONDON records

1928-1940

1171

see also LONDON records

see also LONDON records

1928—1940

1171

***New Issue***

# $1,750,000

# City Savings Bank Co. Ltd., Budapest, Hungary

**(Innerstaedtische Sparcassa Aktiengesellschaft)**

## 7% Twenty-five Year Sinking Fund Secured Gold Bonds

**(Series A of 1928)**

**Cumulative Semi-Annual Sinking Fund Calculated as Sufficient to Retire Entire Issue by Maturity by Drawings at Par**

C.P.R.
APR 12 1928

Dated February 15, 1928. Due February 15, 1953. Interest payable February 15th and August 15th. Coupon Bonds in denomination of $1,000 registerable as to principal only. Redeemable otherwise than for the Sinking Fund, as a whole or in part on forty days' prior notice at par and accrued interest. Principal and interest payable at the Columbia Office of American Exchange Irving Trust Company, Fiscal Agent in New York, or, at the option of the holder, either at the principal office of Geldinstituts Zentrale or of the Bank, in the City of Budapest, Hungary, in actual gold coin of the United States of America of the present standard of weight and fineness, without deduction for any taxes or other public charges now or hereafter imposed by the Kingdom of Hungary, or by any other taxing authority thereof or therein. American Exchange Irving Trust Company, Fiscal Agent. The Central Corporation of Banking Companies (Geldinstituts Zentrale), Budapest, Hungary, Hungarian Fiscal Agent.

*Mr. Béla Alapi, Managing Director of the Bank, summarizes, in part, his letter to us regarding the Bank and the issue of Bonds as follows:*

***History and Business:*** The City Savings Bank Co. Ltd., was established in 1892, in order to supply the facilities of a savings bank to Innerstadt, the principal residential district in Budapest. While this Bank was, at its formation, strictly a bank for savings, it has through the years gradually expanded its activities into other lines until it now does a general banking business both national and international. During the thirty-six years since the formation of this Bank in 1892, it has paid dividends to its stockholders for every year. It is now one of only twelve banking institutions issuing their own bonds against first mortgages on income producing residential, agricultural and other property in Hungary.

***Security:*** These Bonds will be the direct and unconditional obligations of City Savings Bank Co. Ltd., and will be issued against at least an equal amount of mortgage loans, payable, both as to principal and interest, in actual United States gold dollars of the present standard of weight and fineness, and secured by first mortgages on lands and immovables thereon within the territorial limits of Hungary. Said first mortgages will carry interest and sinking funds sufficient to take care of interest and sinking fund charges upon these Bonds. Such first mortgage loans, to be made from the proceeds of this issue of bonds, according to Hungarian Law, shall not exceed fifty per cent. (50%) of the appraised valuation of the lands and immovables thereon mortgaged. All mortgage loans of the Bank, under Hungarian Law, and the mortgages securing the same constitute specific security for all its outstanding mortgage bonds.

At the present time the Bank also has outstanding £500,000 ($2,430,000) of mortgage bonds sold in London, Amsterdam and New York in 1926 and 1927 and Pengoe 1,000,000 ($174,000) and £30,050 ($146,043) of Communal bonds. All of such issues mature subsequent to these Bonds.

Since the Bank commenced issuing such bonds thirty-three years ago, it has never failed to pay the principal and interest as due on any of its outstanding mortgage bonds.

***Purpose of Issue:*** The purpose of this issue is to reimburse the Bank for first mortgage loans already made, for which mortgage bonds have not yet been issued, and also to enable the Bank to make additional first mortgage loans.

***Hungary:*** Hungary has an area of 35,900 square miles, which is about the size of the State of Indiana. Of this area 60 per cent. is cultivated land and 23 per cent. forest and pasture. Its population is approximately 8,000,000 of which over 4,000,000 are engaged in agriculture. Hungary is the most fertile agricultural area of Central Europe producing wheat, corn, rye, flour, sugar, etc. Cattle and hog breeding is also an important activity. For generations Hungary has been known as the granary ("Kornkammer") of Central Europe. The commerce of Transylvania, Croatia and Slavonia, having together a population of over 6,700,000, which were ceded to neighboring states by the Treaty of June 4, 1920, is still largely financed in Budapest and no important change adverse to Hungary has taken place since this Treaty was signed. Hungary is now one of the European countries with a balanced budget, its budget showing a gratifying excess of receipts over expenditures.

*Conversion of the currencies mentioned above into dollars has in all cases been made at the approximate par of exchange (17.49 cents to the Pengo and $4.86 to the English pound sterling).*

## Price 93¾ and interest, yielding over 7.50% to maturity

*We offer these Bonds if, as and when issued to and received by us, subject to the approval of our counsel, Messrs. Hornblower, Miller and Garrison, New York City, and Dr. Josef Papp, Budapest. It is expected that Interim Receipts of the American Fiscal Agent will be ready for delivery on or about April 27, 1928.*

**E. H. Rollins & Sons** **Colvin & Co.**

The information and statistics herein contained are not representations by us, but have been obtained from official sources, or sources which we believe reliable.

A Pioneer

The Guardian Investors Corporation, including its predecessor, is an American pioneer in the now justly popular field of investment corporations. The management has proven its capability over a period of

15 years

Its assets are in excess of $4,000,000. Its investments average not over 2% of assets in any one security. Such diversity, and continuous re-investment of surplus earnings, make for stability of income and appreciation of principal.

John Nickerson & Co.
Incorporated
61 Broadway

New York
Rochester
Chicago
Newark
Boston
Albany
St. Louis
Denver
San Francisco
Philadelphia
Harrisburg
Pittsburgh

WHEN *is* 5½% *a* HIGH RETURN?

THE 5½% yield—guaranteed—still available on National Title first mortgages and certificates is an attractively high return *now* when other types of securities—unguaranteed—yield considerably less.

Compare the features of these 5½% guaranteed investments—legal for trust funds and

# NEW YORK CENTRAL PROMOTES HARRIS

### Becomes Chairman of Executive Committee, in Effect the Successor to Depew.

### JOINED THE ROAD IN 1905

### Late Chairman's Posts on Subsidiaries Unfilled—System Expected to Issue Stock Later.

A. H. Harris, Financial Vice President of the New York Central Railroad, was promoted yesterday to a position which in effect makes him the successor of the late Chauncey M. Depew, who for many years was Chairman of the Board. It was said in official circles, however, that, while Mr. Depew had not been active in recent years, Mr. Harris has been one of the most burdened members of the directorate.

The New York Central directors ended the position of Chairman of the Board. They also changed the title of finance committee to executive committee. As Mr. Harris was chairman of the former committee he now becomes chairman of the executive committee. There is ordinarily little difference between the position of chairman of the board and chairman of the executive committee. Mr. Harris therefore now ranks with P. E. Crowley, President, among the leading executives of the company.

**Joined Road as Counsel.**

Mr. Harris was born in Rochester, N. Y., July 4, 1861, the son of Edward and Emma Hall Harris. He attended Professor Hale's Academy, and was graduated from the University of Rochester in 1881. Later he attended Columbia Law School. Mr. Harris, who has been a director of the New York Central Railroad and of about seventy-five of its subsidiaries since Jan. 28, 1920, entered the employ of the road in 1905 as general attorney, although prior to that he acted as local counsel to the New York Central & Hudson River Railroad in connection with his general practice. In 1906 he was made general counsel and vice president of law for the lines West. In 1914, following the consolidation of the Lake Shore & Michigan Southern Railroad with the New York Central & Hudson River Railroad, forming the New York Central Railroad, he became Vice President and general counsel for the whole system.

The Michigan Central, Cleveland, Cincinnati, Chicago & St. Louis and the Pittsburgh & Lake Erie, all lines in the New York Central group, also changed the names of their finance committee to executive committee. The vacancies on the boards of these roads and the parent company created by the death of Mr. Depew remain unfilled. No intimation as to who would be elected to these places was made, although previous reports have named Jackson Reynolds, President of the First National Bank, as a possible successor.

A resolution on the long service of Mr. Depew was adopted by the

stock last Summer, practically all of which was bought by stockholders. Its authorized stock totals $500,000,000 and its stock outstanding $421,584,000.

## HONOR DEPEW'S MEMORY.

### Directors of Western Union Fail to Elect His Successor.

As a mark of respect for the late Chauncey M. Depew, who served on the board of the Western Union Telegraph Company for forty-seven years, or more than half his life, no successor was elected at the annual meeting of the company yesterday.

It was recalled by officials of the company that Mr. Depew, then in the best of spirits, promised at the February directors' meeting to attend the annual meeting, and on March 26, upon his return from the South, he signed a proxy voting his shares. This is one of the last known official signatures of Mr. Depew and is being cherished as a souvenir of the departed director by a friend of many years' standing.

The following message was received by the Pilgrims of the United States from Wilson Taylor, the honorary Secretary of the Pilgrims of Great Britain: "The Duke of Connaught, the President of the Pilgrims of Great Britain, desires to be associated with the widespread tribute to Mr. Chauncey M. Depew, of whose death he has heard with profound sorrow. He expresses his sincere condolences with the Pilgrims of the United States in the loss of their beloved President and feels that Mr. Depew's great contribution to Anglo-American understanding will always be gratefully remembered by his brother Pilgrims on both sides of the Atlantic."

## DICK MADE B. & M. DIRECTOR

### Archibald Roosevelt Votes 50,000 Shares at Boston Meeting of Road.

*Special t The New York Times.*

BOSTON, April 11.—Archibald B. Roosevelt attended the annual meeting of the Boston & Maine Railroad stockholders here today. In the election of directors for 1928 he voted 50,000 shares, of which about 25,000 are in the hands of the Roosevelt family. The other shares were New York holdings entrusted to Roosevelt & Son, the investment house in New York.

In recognition of this block Fairman R. Dick of New York, connected with Roosevelt & Son, was elected to the board in place of A. M. Ide of Troy, N. Y. All other directors were re-elected.

President George Hannauer presided over the meeting, his first appearance in public since he left the hospital after a recent illness.

The directors were authorized to enlarge the Executive Committee from six to nine members.

## CANADIAN RAILS EARN MORE.

### But Operating Costs Cause Decrease in Net Revenue.

*Special to The New York Times.*

OTTAWA, April 11.—In the final report presented to Parliament today of the Canadian National Railways' operations in 1927, Sir Henry Thornton expresses satisfaction in the result, although the earnings decreased from the previous year.

The net earnings, exclusive of the Maritime Province lines and the Central Vermont, were $42,113,976. Gross earnings were $256,575,724, an increase of $3,199,069; but the oper-

## OIL RESTRICTION CUTS ATCHISON REVENU

### Reduction in Panhandle Field H Adverse Effect, Says Preside Storey in 1927 Report.

Restriction of oil output in Panhandle field had an adverse feet on the revenues of the Atchis Topeka & Santa Fe Railway in 19 according to the annual report W. B. Storey, President. Discuss progress in 1927, he said:

"The year 1927 might be called average one for your company, o standing features being lacki There was an increase of gross miles, passenger and freight, of 4 per cent. Revenue ton miles freight decreased .41 per cent. a the rate per ton mile decreased fr 1.203 cents to 1.189 cents, or 1.16 cent., causing a drop in freight ea ings of $3,113,327.41. The ma crops in its territory, such as whe corn, oats, cotton, hay, the s ghums, citrus fruits, and grapes ma fair yields, as a whole, althou there were variations from very go to very poor in different localiti

"Prices were rather better than 1926, especially for cotton, and general financial condition of ru districts is better than a year a Overproduction in oil had a stro influence in restricting developme in the Panhandle oil field and el where and reduced the traffic of yo company in connection with this dustry."

Mr. Storey said there was a di inished reserve of wheat and cott crops to be moved this year co pared with last year. Growing c ditions are generally satisfactory Atchison territory, he said.

The company previously repor gross revenue of $255,617,000 in 19 against $259,040,000 in 1926 and income of $49,754,000, against $6 631,495. Total assets were $1,15 931,496 on Dec. 31 against $1,125,83 485 a year previously. Current sets were $72,348,574 and curren abilities, $34,876,473 on Dec. against $74,843,258 and $33,700 Investment in road and equipm increased from $980,334,906 to $1, 475,768. Profit and loss balance creased from $245,718,861 to $ 373,844.

## P. R. R. LEASE APPROVE

### Board Acts on 999-Year Arran ment With Terminal Company

At a meeting of the Board of rectors of the Pennsylvania Railro Company the lease of the prope and franchises of the Pennsylva Tunnel and Terminal Company 999 years was approved.

The property of the Tunnel Terminal Company includes Pennsylvania Station in New Y City, together with the connect tubes under the Hudson and E Rivers and Manhattan Island. of the capital stock and funded of the Tunnel Company is owned the Pennsylvania Railroad Compa

**Virginian Railway Net Dow**

The Virginian Railway in pamphlet report for 1927 shows income of $5,908,561 after taxe charges, equal after 6 per cent ferred dividends to $13.52 a sha 312,715 shares of common against $6,717,047, or $16.11 a s 1926. Total assets on Dec. 3 $160,513,843, against $158,82 year previously, and profits surplus was $24,720,470, aga 887,901. Current assets we 599 and current liabilities against $7,848,599 and $2

D 7966

C.P.B.
W 11-45
APR 27 1928

Ack

S41905 4/27/28

1675

# Abeyance Order

Date Apr 19 Salesman D.B.S. No. A

Name City Savings Bank Co Ltd Budapest

Title 7% 20yr S.F. Secured Gen'l Bond. Hungary.

Innerstaedtische Sparcassa Aktiengesellschaft.

Series A 1928.

COMPOSITION

Face ✓

Stub

~~Back~~

Coupons 1

1 pc

Sig. for coupon

TINTS

TO FIT

Small

General ✓

Large

Steel ✓

Litho.

Cyclog.

Malbon

RECEIVED
APR 19 1928
J.B.P.

Proofs wanted V.P. Am Ex. S.D.

6 proofs.

used on Shippers Car Trust.

Checked

Honi Hom Muller Garrison

M Gilghman

W

D20854

D 8487

4lb 17

# ORDER SPECIFICATION

S41905

Salesman DBS Date Apr 25 Checked Order No. 4/20/28

Name City Savings Bank Co. Ltd. Budapest. Hungary

Address % Hornblower Miller & Garrison

Charge to 15 Broad St.

C. P. W 11-431 APR 27 1928

Delivery Fri 1st proof.

For a bond give title Interim Receipt for 7% - 25 yr. S. F. Secured Gold Bond. O.K.

Price To come. Phone DBS.

Engravings

Engraved---Embossed---Litho---Type

| Quantity | Kind | Face | COLOR TINT {STEEL LITHO SECURITY | BACK {STEEL LITHO TYPE | Numbers |
|---|---|---|---|---|---|
| 1750 | Int. Receipts | $1000 | orange | do. | 1-1750 |
| 1 Coupon attached due Aug 15 1928. | | | | | - $35 - |

TINT DESIGN

General Large Steel.

~~Special~~

SIZE (SINGLE OVER ALL)

Perforate

Stub 1 Coup Int Black tint

Roulette

No. to Page

Ruling

Draw

Stock

Binding

Remarks: Contract to come.
Deliver to Signature Co.

Brown

C.P.R.
W 11-45
APR 27 1928

April 26, 1928

Attention of Mr. H. Tilghman

Messrs. Hornblower, Miller & Garrison
15 Broad Street
New York City

Re: City Savings Bank Co. Ltd.
Budapest, Hungary

Dear Sirs:

We are arranging to prepare Interim Receipts for 7% Twenty-five Year Sinking Fund Secured Gold Bonds for the above, and we attach hereto our customary form of authorization setting forth details. May we ask that the original be duly executed and returned to us, keeping the copy for your future requirements.

We thank you for this order, which is receiving our immediate attention.

Yours very truly

DBS.EB

Vice President

DBS

*American Bank Note Company,*
*New York*

C.P. MAY 3 1928

Dm
A41905
5/1/28

April 26, 1928

*Dear Sirs: You will please furnish the undersigned* HORNBLOWER, MILLER & GARRISON

Stevens

City Savings Bank Co., Ltd., Budapest, Hungary
(Innerstaedtische Sparcassa Aktiengesellschaft)
7% Twenty-Five Year Sinking Fund Secured Gold Bonds
(Series "A" of 1928)

Type print -

1750 - Interim Receipts, $1000 denomination, on large steel engraved borders in orange; with one warrant attached due August 15, 1928 @ $35.00; numbers 1 to 1750.

Send 12 specimens to Messrs. Hornblower, Miller & Garrison
15 Broad Street, New York

*subject to the following conditions, which are agreed to:*

*Your price for the above work, F.O.B. New York City, is*

----------------------Three hundred fifty-five and 00/100-------------------- *Dollars,*

*which the undersigned agrees to pay to you as follows:*

*$* ____________ *herewith.*

*$* ____________ *upon submission by you of the first proof of the engravings; and*

*$* 355.00 *upon notification by you of the completion of the work.*

*You are to ship the above work to* Signature Company (accept their receipt)

*at the following address:* 3 South William Street, New York

*via* ____________

*The engravings, from which the above work is printed shall always remain in the custody of the American Bank Note Company, to be printed only by you.*

*This order is subject to strikes, accidents and other causes of delay beyond your control.*

RECEI[illegible]
MAY 1 1928
J. B. E.

*Accepted:*
*American Bank Note Company,*
*By* A L Schamp
*Vice-President.*

*Yours truly,*

**THE SIGNATURE BELOW IS OFFICIALLY AUTHORIZED.**

Hornblower, Miller & Garrison

RECEIVED
AMERICAN BANK NOTE COMPANY
70 BROAD ST.
A M
MAY -1 1928

D 9450 DBS

# Temporary Order

April 26, 1928

O.K.

C.P.R.
W 10 30
APR 30 1928

Please furnish the undersigned

**HORNBLOWER, MILLER & GARRISON**

841905

City Savings Bank Co., Ltd., Budapest, Hungary
(Innerstaedtische Sparcassa Aktiengesellschaft)
7% Twenty-Five Year Sinking Fund Secured Gold Bonds
(Series "A" of 1928)

Type print -

1750 - Interim Receipts, $1000 denomination, on large steel engraved borders ~~in~~ orange; with one warrant attached due August 15, 1928 @ $35.00; numbers 1 to 1750.

Send 12 specimens to Messrs. Hornblower, Miller & Garrison
15 Broad Street, New York.

add to order

Price for the above work, F. O. B. New York City, is

-----------------------Three hundred fifty-five and 00/100----------------------- Dollars,

which the undersigned agrees to pay as follows:

$........................herewith.

$........................upon submission of the first proof of the engravings; and

$ 355.00 ........................upon notification of the completion of the work.

Ship the above work to Signature Company (accept their receipt)

at following address: 3 South William Street, New York

Via ........................

Delivery to be made........................

Special Instructions:

ACCEPTED:

AMERICAN BANK NOTE COMPANY,

By........................
Manager of Sales.

Mr Brant

City

Savings

Bank

C.P.R.
W 10:30
APR 30 1928

$41908—

5—

c/s 54934

Send 12

specimens

to Messrs.

Hornblower

& Miller

Harrison)

15 Broad St

NYC

in first

Day to-

morrow

April 27

Sam

BHL 6 Cf 4.05

C.P.R.
MAY -5 1928

May 4, 1928

Attention Mr. H. Tilghman

Messrs. Hornblower, Miller & Garrison
15 Broad Street
New York

Dear Sirs:

CITY SAVINGS BANK CO. LTD. OF BUDAPEST, HUNGARY
7% Twenty-five Year Sinking Fund Secured Gold Bonds
(Series A of 1928)

This will confirm our verbal quotation given you yesterday covering the preparation of 1,750 Definitive Bonds of the above issue, as per text copy submitted, as follows:

| | | |
|---|---|---|
| 1,750 - | Steel Engraved Bonds, suitable for listing on the New York Stock Exchange, with 49 coupons attached in wing form Nos. 2 to 50; all Bonds of $1000 denomination | $2,850. |
| 1,750 - | Steel Engraved Bonds, suitable for listing on the Boston Stock Exchange | $2,450. |
| 1,750 - | Lithographed Bonds on steel engraved borders, but not suitable for listing on either New York or Boston Stock Exchange | $1,085. |

Awaiting your further word as to which method of manufacture you prefer, we remain

Yours very truly,

JGE/H

Vice President

C.P.R.
JUN 13 1928

## 20,000 American Shares

# City Savings Bank Co., Ltd., Budapest, Hungary

### (Innerstaedtische Sparcassa Aktiengesellschaft)

Representing 80,000 full-paid and NON-ASSESSABLE shares of stock of the par value of 50 Hungarian Pengoe each of City Savings Bank Co., Ltd., of Budapest, to be deposited with the Agent in Budapest of The National City Bank of New York, as Depositary, under the Deposit Agreement dated as of June 16, 1928. Such shares represent an increase in the capital stock of the Bank. Registered Certificates, transferable in New York City, exchangeable after December 25, 1928, for deposited shares of stock of the Bank at the option of the registered owner. Dividends on American Shares payable in or about March of each year, covering the preceding year, in United States dollars.

THE NATIONAL CITY BANK OF NEW YORK, *Depositary and Transfer Agent.*

UNITED STATES MORTGAGE & TRUST COMPANY, *Registrar.*

GELDINSTITUTSZENTRALE, of Budapest, Hungary, *Hungarian Agent of the Depositary.*

The Deposit Agreement will, in substance, provide that cash dividends received by the Depositary upon deposited shares shall be converted into United States dollars and the proceeds (less nominal charges and expenses) be paid by the Depositary to registered holders of American Shares; that upon payment of charges and expenses of the Depositary and the surrender thereof properly endorsed, American Shares will be exchangeable for the deposited shares represented thereby after December 25, 1928, and, under certain conditions, prior thereto; that additional shares of stock of the Bank under certain conditions may be deposited with the agent of the Depositary and additional American Shares be issued therefor. For further information as to the rights of the holders of American Shares, and as to the charges and fees on transfers or exchanges of Certificates for American Shares, exchange thereof for deposited shares, deposit of additional shares, collection and payment of dividends, voting rights, etc., reference is hereby made to the Deposit Agreement.

*Mr. Béla Alapi, Managing Director of the City Savings Bank Co., Ltd., Budapest, summarizes as follows his letter regarding the business of the Bank in connection with the issuance of American Shares:*

***History and Business:*** The City Savings Bank Co., Ltd., was established in 1892, in order to supply the facilities of a savings bank to Innerstadt, the principal residential and financial district in Budapest, and it now does a general banking business both national and international. It is now one of only twelve banking institutions issuing their own bonds against first mortgages on income producing residential, agricultural and other property in Hungary. It also issues its own bonds secured by the obligations of Hungarian municipalities. Prior to the War, the mortgage bonds of this institution were listed on the Budapest, Vienna, Brussels and Amsterdam stock exchanges and sold on approximately a 4.75% basis.

***Capitalization:*** At its inception the City Savings Bank Co., Ltd., had a share capital of 2,000,000 Austrian-Hungarian Kronen (or $405,200 at the then par of exchange). The Bank gradually expanded its business along conservative lines, its capital being increased until in 1911, it stood at Kr. 16,000,000 ($3,242,000). After the revaluation of the currency its capital was fixed at Pengoe 3,000,000 ($524,700) with a reserve of Pengoe 1,000,000 ($174,900). On December 23, 1926, the capital was increased to Pengoe 6,000,000 ($1,049,400), and at a meeting of the stockholders on June 2, 1928, the capital stock was still further increased by 120,000 shares, bringing the total authorized capital to Pengoe 12,000,000 ($2,098,800), consisting of 240,000 shares of the par value of 50 Pengoe each. It is proposed that of the new 120,000 shares, 40,000 shares will be offered to existing stockholders and the remaining 80,000 shares constitute the stock presently offered. This distribution has been arranged by the Bank in order to provide a world-wide market for its stock which is already listed on the London, Budapest and Vienna stock exchanges. This increase of its capital stock will result in a further substantial increase in its reserves.

***Dividends:*** It is noteworthy that since the establishment of this Bank in 1892, it has paid dividends to its stockholders for every year. From 1893 until the war-year of 1914, dividends increased from a rate of 5% in 1893 to a rate of 7.2% in 1913. In no one of these years was the rate ever reduced. For 1925, the first full year after the currency was stabilized, a dividend of 8% was paid, while 9.6% was paid for 1926, and for 1927, the rate was increased to 11%.

***Market:*** The shares of this Bank were quoted in 1913, when paying a dividend of 7.2%, at around 140%, and are currently quoted on the London, Budapest and Vienna exchanges at approximately 160% of par value.

***Financial:*** For the year ended December 31, 1927, net profits of the Bank, after taxes and all other charges, amounted to over 15% on the capitalization of Pengoe 6,000,000 ($1,049,400) then outstanding. In the opinion of the management of the Bank, at least the same rate of earnings should be shown on the new capital. The doubling of the Share Capital in 1926, has had a remarkable effect on the profits, inasmuch as the Net Profit for 1927, which amounted to Pengoe 945,378 ($165,300) was over 2¼ times the Net Profit for 1926, and almost trebled that for the year 1925.

***Hungary:*** Hungary has an area of approximately 35,900 square miles, which is about the size of the State of Indiana. Of this area about 60 per cent is cultivated land and about 23 per cent forest and pasture. Its population is approximately 8,000,000, of which over 4,000,000 are engaged in agriculture. Hungary is the most fertile agricultural area of Central Europe, producing wheat, corn, rye, flour, sugar, etc. Cattle and hog breeding is also an important activity. For generations Hungary has been known as the granary ("Kornkammer") of Central Europe. The commerce of Transylvania, Croatia and Slavonia, which were ceded to neighboring states by the Treaty of June 4, 1920, is still largely financed in Budapest. Hungary is now one of the European countries with a balanced budget, with receipts in excess of expenditures.

**All conversions to United States dollars made at the rate of $.1749 per Pengo which is par of exchange.**

## Price $55 per American Share to Yield about 7%

### (Deposited shares carry full dividend for year 1928)

*We offer these American Shares, when, as and if issued and received by us, and subject to completion of the purchase of the shares by us and subject to approval of all legal proceedings by our counsel, Messrs. Hornblower, Miller & Garrison, New York City, and Dr. Josef Pap, Budapest. It is expected that delivery in temporary or definitive form will be made on or about June 25, 1928, at the office of Colvin & Co., 35 Wall Street, New York City, against payment therefor in New York funds.*

**COLVIN & CO.** **GEORGE H. BURR & CO.**

The information contained herein is derived from official and other sources which we believe to be reliable but do not guarantee.

DIVERSIFY!

Holdings in several classes of securities give better balanced investments.

ODD LOTS

Make this method of safeguarding more available to the average investor.

Large or small orders given the same careful attention.

Write for convenient handbook on Trading Methods and Market Letter E-3.

CHISHOLM & CHAPMAN

*Members New York Stock Exchange*

52 Broadway New York

Telephone Hanover 2500

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Investment

*and*

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Service

G.M.-P.MURPHY & CO.

*Members N. Y. Stock Exchange*

52 Broadway, New York

Washington, D. C. Richmond, Va.

ODD LOTS

In listed securities carried on conservative margin.

*Your Inquiries Invited*

Dunscombe & Co.

*Members New York Stock Exchange*

71 Broadway New York

*Branch Office*

44 Court St. Brooklyn, N. Y.

# MOTOR COMPANIES DISCUSS MERGER

## Studebaker and Pierce-Arrow Officials Confer, but No Agreement Is Reached Yet.

## BOTH CONCERNS STRONG

### Combination, if Effected, Is Expected to Be Made Through an Exchange of Stock.

Conversations have taken place between representatives of the Studebaker Corporation and the Pierce-Arrow Motor Car Company looking to a possible merger of the two companies, it was learned yesterday. No agreement has been reached and it is not yet certain that the companies will be able to come to terms.

Negotiations were begun some days ago and continued yesterday. If an understanding is reached, the two companies will be consolidated through an exchange of stock, it is expected. The Studebaker Corporation has outstanding 1,875,000 shares of no par common stock of an authorized issue of 2,500,000 shares and $7,425,000 of $7 cumulative $100 par preferred stock of an authorized issue of $15,000,000. The common, which will figure in the exchange, closed yesterday at 65.

Pierce-Arrow's capitalization consists of 328,750 shares of no par common stock outstanding of an authorized issue of 500,000 shares and $10,000,000 of $100 par 8 per cent. cumulative preferred, representing the entire authorized issue. The common closed yesterday at 14⅞. It is expected that the merger, if arranged, will be carried out on the basis of the market price of the stocks of the two companies.

Studebaker has total assets of about $135,000,000 and Pierce-Arrow of about $25,000,000. Consolidation of the two companies is looked upon in Wall Street as a desirable step for both companies, since it would create a well-rounded organization with a strong competitive position.

Directors of the two companies have declined to discuss the reported merger plans, but interests close to the two companies admitted yesterday that negotiations have been going on for some time.

# BOND FLOTATIONS

## New Corporation Issues Offered for Subscription by Investors.

Foreign, public utility and real estate bonds compose the new issues offered today.

A new issue of $4,000,000 Piedmont Hydroelectric Company of Italy one-year 5½ per cent. first mortgage notes, in the form of participation certificates of the Chase National Bank, will be offered by Blair & Co., Inc., and the Chase Securities Corporation. The issue is priced at 99¾ and interest, to yield about 5.75 per cent. Proceeds will be used for additions to plant. The total authorized issue of these notes amounts to $8,000,000.

### United Telephone and Telegraph.

Offering of a new issue of $1,000,000 United Telephone and Telegraph Company first lien 5½ per cent. bonds, Series A, due on May 1, 1953,

# MUNICIPAL LOANS

## Offerings and Awards of Public Securities for Various Purposes.

The City of Chicago, West Park Commissioners, will market an issue of $3,000,000 bonds on June 18, according to private advices received here yesterday. This will be the first financing by the Commissioners since Oct. 29, last, when an issue of $4,000,000 4s and 4¼s was awarded to a syndicate of dealers in New York and Chicago. That city's last financing for its parks was on May 23, when an issue of $2,000,000 Lincoln Park District 4s was sold slightly below par.

### Birmingham Gets Bids.

A syndicate composed of the First National Company of Detroit, Stone & Webster and Blodget, Inc., and Pulleyn & Co. was high bidder yesterday for the issue of $1,175,000 City of Birmingham (Ala.) bonds. The issue consisted of $1,005,000 school bonds, due on Aug. 1, 1946 to 1952, and $170,000 improvement bonds, due on July 2, 1929 to 1938. The high bids, on the basis of 4½s were 102.26 on the school bonds and 100.26 on the improvement bonds. The second highest bid, made by Geo. B. Gibbons & Co., Inc., and Dewey, Bacon & Co., was 102.17 on the school issue, with no bid made for the improvement loan. The third highest bidder was a group consisting of the Bancitaly Corporation, Eldredge & Co., and Ward, Sterne & Co. of Birmingham. It offered 102.05 for the school and 100.189 for the improvement bonds. This syndicate also submitted a tender of 101.42 for the entire issue.

### Award by Niagara Falls.

Award of the issue of $835,000 City of Niagara Falls (N. Y.) various improvement bonds, due on July 1, 1958 to 1970, was made yesterday to Roosevelt & Son and Geo. B. Gibbons & Co., Inc., at their joint bid of 100.15 for the issue as 4.15s. Dewey, Bacon & Co. bid 100.07 for 4.15s, and the Bancitaly Corporation, 100.74 for 4.20s.

### Philippine Issue Sold.

An issue of $500,000 Philippine Government 4½ per cent. bonds, due in 1958, was awarded yesterday through the Bureau of Insular Affairs in Washington, at a price of 105.155 to a group consisting of the Chase Securities Corporation, Blair & Co., Inc.; Hallgarten & Co., and Hornblower & Weeks. The National City Company bid 103.219; White, Weld & Co., 103.11, and Seasongood & Mayer, 102.1254.

### Michigan to Borrow.

The State of Michigan announced yesterday that it would market on June 20 an issue of $2,735,000 road assessment bonds, due on May 1, 1930 to 1938. Bidders are asked to specify the rate of interest at not to exceed 6 per cent.

### Mississippi Bonds Taken.

Sutherlin, Barry & Co. of New Orleans, who were high bidders on May 26 on the issue of $2,374,500 State of Mississippi bonds have taken up the issue. Shortly after the sale the State announced an additional issue of $5,845,000 to be sold on June 21, and this caused the bankers to pause before taking up the original issue. The State placed the bonds in escrow with its agent here, the National City Bank, and named a time limit, which expired this week. Had the bonds not been taken up by the bankers, the $25,000 check put up at time of sale would have been forfeited.

# FINANCIAL NOTES.

# TO BUILD REFINERY ON STATEN ISLAND

## Gulf Refining Company Picks Site on West Shore, Borough President Lynch Reports.

## PLANT TO COST $20,000,000

### From 5,000 to 8,000 Will Be Employed — Nine Buildings and Piers Will Be Erected.

Borough President John A. Lynch of Richmond announced yesterday that the Gulf Refining Company would build a large refinery on the west shore of Staten Island. The announcement was made after a conference between Mr. Lynch and William M. Braybrooks, general manager of the company, and James V. Baney, general superintendent of the company, at the Borough President's office at St. George.

Mr. Lynch said it was planned to build the plant on 600 acres acquired by the company some time ago at Mariners Harbor. Part of the property fronts on Staten Island Sound and part of it is near the Goethals Bridge, which spans the Sound from Washington Avenue, Holland Hook, to Elizabethport, N. J. The company will built nine buildings and also piers for seagoing tankers. The entire cost will be between $20,000,000 and $25,000,000. The company will employ from 5,000 to 8,000 men.

Preliminary work on the plant will begin immediately, according to Mr. Lynch. He added that he had inspected the company's plant at Philadelphia and that he was satisfied with the way it was operated. He said he believed the company would have no difficulty in obtaining necessary permits and that the borough administration would cooperate with the company's officials.

Mr. Lynch estimated that the families of the men who will be employed at the plant together with the employes themselves will total about 25,000. He considers the enterprise the largest that has come to Staten Island. Adequate terminal and transportation facilities caused the company to choose the Staten Island site, he said.

# URGES TRUST LAW INQUIRY.

## Head of Cost Accountants Favors Amendment to Sherman Act.

A proposal that Congress form a non-partisan commission to investigate the feasibility of amending the Sherman and Clayton anti-trust acts was made yesterday by C. R. Stevenson, the President, at the convention of the National Association of Cost Accountants at Hotel Commodore.

Mr. Stevenson's suggestion was made in the course of his discussion of the report of Harry Bullis, head of the association's research department, on a study of the trend of profits in various industries. Notwithstanding good management, said Mr. Stevenson, the present excess capacity of industry renders profitable operations increasingly difficult. Profitable operations, he declared, depend on the functioning of trade associations for the various industries.

In this connection, said Mr. Stevenson, the most pressing necessity of modern business was the revision of the Sherman and Clayton anti-trust

LPF

THE CITY SAVINGS BANK
COMPANY LIMITED

Telegraphic Address: INTERNA
*Peterson's III Code used.*

BRANCH-OFFICES:
BUDAPEST:
Szabadság-tér, Vilmos császár-út, Oktogon-tér, Váci-út.
IN THE COUNTRY
Debrecen, Gyöngyös, Makó, Miskolc, Sátoraljaujhely.

D. L. R.
JAN 21 1936
DZ

BUDAPEST, January 7, 1936.
IV. APPONYI-TÉR 5.

file

The American Bank Note Company,
NEW YORK CITY, U.S.A.

Gentlemen:

With reference to the "American Share" Certificates issued by our Company in 1928, which were printed by you at that time, we have received a letter of December 20, 1936 from the City Bank Farmers Trust Company, of New York, requesting us to confirm the last serial numbers on the blank certificates delivered to them as Transfer Agent.

Since these serial numbers are not available to us, we attach hereto the letter cited above and would be glad if you would kindly furnish them with the information desired.

Thanking you,

We are, Gentlemen,
Yours very truly,
THE CITY SAVINGS BANK CO.LTD.

**Enclosures** No enclosure for filing

Ret'd 1/21/36

RECEIVED
JAN 20 1936
J. B. P.

RECEIVED
AMERICAN BANK NOTE COMPANY
A M
JAN 20 1936

C. F. R.
JAN 22 1936

January 21, 1936

The City Savings Bank Company, Limited
IV Apponyi-Ter 5.
Budapest, Hungary

Gentlemen:

We beg to acknowledge receipt of your letter of January 7th, requesting us to confirm the last serial numbers of your "American Share" Certificates, delivered to the City Bank Farmers Trust Company as Transfer Agent and regret that we cannot furnish this information since we did not prepare the certificates in question.

We have, however, had occasion to receive certain of these certificates from the Bank for imprinting and our records made at that time show that they were prepared by the Hamilton Bank Note Engraving and Printing Company, 142 Adams Street, Brooklyn, N. Y. and we believe that this Company can furnish you with the desired information.

We are returning to you herewith the City Bank Farmers Trust Company's letter of December 20th, requesting this information.

Very truly yours,

Manager of Domestic Sales

AMP:VH
Enc.

LPF

THE CITY SAVINGS BANK
COMPANY LIMITED
BUDAPEST
TELEGRAPHIC ADDRESS: INTERNA
PETERSON'S III CODE USED.

BRANCH-OFFICES:
BUDAPEST:
SZABADSÁG-TÉR, VILMOS CSÁSZÁR-ÚT,
MUSSOLINI-TÉR, VÁCI-ÚT.
IN THE COUNTRY:
DEBRECEN, GYÖNGYÖS, MAKÓ, MISKOLC,
SÁTORALJAUJHELY.

DZ

C. P. R.
JAN 25 1940

BUDAPEST, January 9, 1940.
IV. APPONYI-TÉR 5.

American Bank Note Company,
New York, U.S.A.

nothing rec'd in files

Gentlemen:

We have been requested by the City Bank Farmers Trust Company, of New York, as per their letter of December 6, 1939, Ref. ADT/TD, to confirm to them the last serial numbers on the blank certificates in respect of the "American Shares" of our Bank, delivered to them as Transfer Agent.

In view of the fact that we do not appear to have any note hereof on our records, at the suggestion of the City Bank Farmers Trust Co. we would request you to be good enough and furnish this information to the latter direct, for auditing purposes.

Thanking you,

We are, Gentlemen,
Yours very truly,
THE CITY SAVINGS BANK CO.LTD.

Mr Ambrose
Please refer to copy
of letter 1/21/1936.

RECEIVED
JAN 25 1940
E. G.

file

RECEIVED
RECEIVED
AMERICAN BANK NOTE COMPANY
70 BROAD ST.
JAN 25 1940

C. P. R.
JAN 26 1940

January 25, 1940

The City Savings Bank Company, Limited
IV Apponyi - Ter 5.
Budapest, Hungary

Gentlemen:

We beg to acknowledge receipt of your letter of January 9th, requesting us to confirm the last serial numbers of your "American Share" Certificates, delivered to the City Bank Farmers Trust Company as Transfer Agent, and regret that we cannot furnish this information since we did not prepare the certificates in question.

We have had occasion to receive certain of these certificates from the Bank for imprinting and our records made at that time show that they were prepared by the Hamilton Bank Note Engraving and Printing Company, 142 Adams Street, Brooklyn, New York and we believe that this Company can furnish you with the desired information.

Yours very truly,

LPF:HH

Manager of Domestic Sales